

Cover Story

Chopper Trading

TRADING PLACES

HOW **RAJ FERNANDO** RECRUITS TALENT AT **CHOPPER TRADING**

BY BROOKE BATES

Though the trading floor is bustling and intense when the markets are open, the scene in Chopper Trading's break room is quite the opposite when they close. There, in the 3,000-square-foot spaciousness, you'll find some of Chopper's 150 employees lifting weights or winding down with some table tennis or poker. After working hours, they usually go out together, maybe to take advantage of the company's season tickets to cheer on the Blackhawks, Bulls, Cubs or Sox. ■ The nature of the business can be stressful enough, and CEO Raj Fernando wants to keep the surrounding atmosphere as pleasant as possible to counter that, so it's crucial that his employees get along. ■ Therefore, when it comes to hiring, he doesn't approach it like some of his competitors, who may bring in 30 potentials, push them through a training program and come out with three hires and 27 fires on the other end. His hiring process is quite the opposite — lengthy and involved, with the purpose of bringing employees on board who will some day retire from the company.



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Raj Fernando,
CEO,
Chopper Trading

In 2002, when Fernando founded Chopper, he established one rule for bringing employees on board.

“We don’t care how much money somebody’s going to make us; if they’re going to make all of us miserable, we don’t want them here,” he says.

And that has to go both ways.

“It’s a marriage,” he says. “We want them to want us. We do not want turnover. We try to weed everything out at the interview stage.”

Paint a picture

Chopper’s recruiting team attends job fairs at the top schools in the country. At this first stage of hiring, that team usually includes recruiters, traders, programmers and top executives — even Fernando himself. But he’s careful not to come off as too executive.

“We’re not a bunch of salesmen,” he says. “We’re not coming there in three-piece suits and \$200 ties and trying to impress them. We’re ourselves when we go out there.”

That’s key, considering he’s not just looking for a candidate that fits the organization. He wants to make sure Chopper is a fit for the candidate, as well, so a crucial part of the interview process is painting an accurate picture of the firm to make sure he’s attracting the right crowd.

“It’s important that they know what they’re getting into because after a few

months of interviewing and they turn down 15 other jobs, we don’t want them to come here and realize this isn’t what they thought they’d be doing,” Fernando says. “We’re very straight with them upfront on letting them know, ‘Hey, here’s the job.’”

Traders like John Sizemore travel to recruit and interview new trading assistants, then take the successful candidates on office tours to show them the environment they’d be working in. For example, the lack of walls between desks is an invitation for him to talk about the team atmosphere and open lines of communication. And the giant break room exemplifies the company culture, so Sizemore explains how employees deal with stress.

“Yes, we’re trying to spend a lot of time with the person so that we can get a good feel for what they’re like,” Sizemore says. “But also, we really want people to have a good idea of what they’re getting into so that there’s no surprise when it comes time to actually start work. We’re trying to hire people to retire here, and that being the case, we want people to really know what company is and what the company’s about and what it’s like to work here.”

Take your time

In trading, as in most industries, there’s not a list of certain traits that would make an employee successful. It’s more of a sub-

jective intersection of technical skills and personality traits.

“There’s no specific background that prepares you for it,” Sizemore says. “There’s no major that we look for. There are no specifics of any kind that you can say, ‘Definitely, this person can make it and this person can’t,’ based on something that can be found on a resume.

“Our interview process is really lengthy, and the reason for that is that we’re not able to really say specifically we’re looking for these five things. It’s more about trying to get a feel for whether or not the person across the table from you has that confluence of factors, has that mental makeup.”

Of course, Fernando has some basic technical expectations across the board, like math competency. But because his expertise is in trading, he turns programming candidates over to the chief technology officer or current programmers for technical evaluation.

“The programmers these guys like, I’ll definitely talk to them and give them my two cents on the company itself and a little bit about us and why it’s a fun place to work,” Fernando says. “I’ll tell them how important the programming is for our firm, but I won’t tell them anything technical about it.”

He has more general conversations with candidates, including brainteasers to see how they think on their toes and business-oriented questions to gauge their interest and knowledge.

“One strategy that you can use is to continually ask follow-up questions, particularly if they express an interest or say they follow the market,” Sizemore says. “You can start asking them about their level of understanding in the market and why they think things are happening, and generally you can see how they handle themselves.”

Gauging their interest may be the most important piece of the equation. It separates job hunters from career seekers.

“In the last few years, when the job market wasn’t that good, some of these guys (have been) just looking for a job,” Fernando says. “They might be interviewing at investment banking companies; they might be interviewing at consulting companies. We really want guys that know what they’re getting into and really want to do that because this isn’t a small decision — a career. We hope they retire from our company.”

It’s a red flag if candidates don’t have genuine interest in your industry, your company and the position. Their industry knowledge can indicate how genuine they are, but that doesn’t necessarily equate interest. That’s where observation comes in.

“I don’t think it’s outlandish to think that you can judge a person’s reaction to questions about their interests in something,”

Sizemore says. “Generally, when someone has a passion for something and you see them talking about it, you can pick up on that passion without necessarily having to delve deep into their psyche. When someone is talking about something excitedly, you can tell that they have a genuine interest and a passion for it versus someone who’s just trying to put on a good face for an interview.”

A lengthy interview process helps you make that distinction, because the more time you have with candidates, the better you get to know them. Chopper’s recruiters start talking with college students as much as a year and a half before graduation — ample time to cut through interview personas to assess the true personalities beneath.

Plus, when you commit that much time to a new hire, you’re illustrating your investment in his or her success.

“What we ask of them is a pretty big commitment, but on the flip side of things, we’re trying to show them that we are going to be equally committed to what their career goals are,” Sizemore says. “It’s a two-sided coin.”

Turn employees into interviewers

As candidates move further through Chopper’s interview process, they interact with more employees in more areas — a sort of funnel effect.

“The more people that talk to him, the better it is,” Fernando says. “We try to take care of all the hiring process in the interview process. That’s why we don’t have a lot of turnover.”

Fernando will involve dozens of employees, from ones who used to have that position to ones who are currently in training, all the way to the top of the company. Current employees know better than anyone what it takes for employees to be successful at your company.

“We know what the people who work here are like and what it takes to get along,” Sizemore says. “We know what it takes to be successful as a trader, and we know what it takes to fit in with the company. Even though two different people might see a candidate differently, they both would more than likely be able to agree on whether or not that person is going to fit in with the culture of the company.”

A multitude of perspectives gives you a better understanding of the candidate. It becomes a group effort, where someone may pick up on something that others missed.

“Because it is a subjective call, all of us as interviewers have our specific things that we’re looking for that we might place a little more importance on than somebody else does,” Sizemore says. “By getting a wide variety of opinions on someone, we feel like we get to know them pretty well.”

Because Fernando trusts the employee

input he receives throughout the interview process, it makes his job easier when the candidate comes back around to him.

“By the time it comes to me, maybe 12 or 20 people have already talked to him,” he says. “And if these guys all liked him, the kid’s got to be pretty impressive. ... It’s definitely a team effort in weeding them out.

“It’s not just ability; it’s also is it someone they want to work with and be next to 10, 12 hours a day for the next 10, 15 years? These guys hang out after work. You don’t work that much with someone and hang out afterward if you don’t like them. Personalities are very important.”

That’s not to say everyone needs the same personality. That’s another benefit of involving several interviewers — you understand each candidate’s overall demeanor as opposed to specific traits, so you can better identify pleasant personalities.

When decision time comes, get everyone’s opinions and observations on the table. You’re not looking for pure consensus, but ideally, most of the group will think positively of the candidate and no one will see major reasons not to hire.

If there are concerns, determine how serious they are.

“If it is the case that someone in the group sees a major red flag, we’ll talk about it,” Sizemore says. “We’ll say, ‘Look, I said this to this person and this was their response. I didn’t like it for these reasons. Do you guys agree or not agree?’

“I’ve been a part of more than one of those conversations, on both sides of the coin, and generally we’re able to come to a decision, saying, ‘OK, yeah, you’re right. I felt that too,’ or, ‘You know, I really didn’t pick up on that, and even if that is true, I’m OK with that. I’m willing to move forward with this person.’ It’s not necessarily pure consensus, but generally we don’t hire people that one of the members of the group has a major red flag on.”

Though the hiring process involves some fun — like going out to dinner or shooting pool — the decision requires diligence.

“We’re not trying to wine and dine people to bring them in,” Fernando says. “As much fun and kidding around as we do, this is a serious process. The new lifeblood is everything to the company.”

Thanks to that attitude, Chopper boasts zero turnover, and Fernando says he has never lost a successful trader. By devoting time and effort to the interview process, he’s able to hire future retirees, not just employees.

“It’s not just a job,” Fernando says. “Life’s too short to do things you don’t want to do or be with people you don’t want to be with. We like the people we work with, and it makes all the difference.” <<

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